ABSTRACT OF THE DISCLOSURE

   In a digital camera, a CPU divides a multi-valued image
into blocks and selects object blocks, which are to be the object
of processing.   A CCD outputs luminance values of the
multi-valued image.   A low luminance threshold value setter
sets low luminance threshold values on the basis of mean
luminance values of blocks adjacent to the object block.   A mean
luminance value calculator calculates mean luminance values
using luminance values from which luminance values that do not
reach the low luminance threshold value in a block have been
removed.   A binarization threshold value setting circuit sets
a binarization threshold value of the block based on the mean
luminance values.   A binarizer then binarizes the multi-valued
image in the block on the basis of the binarization threshold
values.